

## HBS Club of NY Community Partners

### Panel Discussion on Nonprofit Board Service: Key Takeaways & Resources

- 1) **It's the right time for people with business skills to serve on nonprofit boards; 'we are the cavalry' -- we can help nonprofit organizations meet the needs of society at this critical time:** Nonprofits are more willing than in the past to harness the business skills of board members, and have moved beyond solely expecting board members to contribute to fundraising efforts. This shift has been even more pronounced since the pandemic, since many nonprofits are increasingly dealing with issues of governance, effectiveness at mission delivery, financial management, and risk assessment.
- 2) **Use crisis as a source of opportunity:** A crisis, which many nonprofits face as a result of Covid-19, can be an opportunity to move forward in novel and productive ways, as well as being a downside challenge. For some nonprofits, the crisis has accelerated their move into digital delivery by years. It has also provided a boost to nonprofits that are able to position themselves as part of the solution to the Covid crisis.
- 3) **Explicitly articulate the role of the board vis a vis management:** It's the board's role to ask 'smart' questions and to listen and provide guidance rather than to make program and operational decisions. In particular, the board can help management 'think like a funder'. There are some situations where the board can augment management by bringing specialized expertise or skills; the scope and purpose of board involvement should be specific and clear.
- 4) **Keep a sharp eye on cash flow and sources of funding:** Some sources of funding, for example government grants, put cash flow at risk given dramatic delays in payment from government entities. Nonprofits need to come up with a mix of strategies for ensuring cash flow, which might include lines of credit and other financial solutions. In some cases, real estate obligations have become a pressing cash flow issue, as the need for real estate has become less important for some nonprofits given a shift to virtual activity.
- 5) **Enable mission evolution; beware of mission creep:** The major programs of mission-driven nonprofit organizations will evolve in response to changing conditions – e.g. Helen Keller International, an organization dedicated to saving sight, began new programs in nutrition when it became clear that good nutrition helped prevent blindness. Boards must be careful, however, that program evolution does not dilute focus on the primary mission.

- 6) **Be clear about the philanthropic role of the board – primary funder and/or ‘exemplar’:** Nonprofit boards can be the primary source of funding for a nonprofit, and/or their philanthropic role can be to set an example that will help attract major donors and foundations. The prominence of some nonprofit organizations is such that there is significant demand to be on the board; board members will ‘pay to play’. Other nonprofits focus on 100% giving participation by the board to demonstrate dedication to the nonprofit’s mission to major donors, or on giving at a level that covers operating costs so that the nonprofit can say that all donations from others will go directly to programs. To support diversity and inclusion on the board, some boards anticipate varied levels of contributions and emphasize that everyone is giving to the best of their capacity.
  
- 7) **Conduct careful due diligence before joining a nonprofit board:** First and foremost, make sure you are passionate about the mission of the nonprofit organization. Ask yourself how you will add value to the board and the nonprofit. In addition, confirm that the organization has effective governance (clarity of expectations for board members provides good insight into the strength of governance overall), and that there are not major divisions of opinion on the board. Ask if there are any investigations underway or pending lawsuits. These issues can create significant distractions for board members and the organization. Make sure philanthropic expectations of board members are clear.

**See below for a list of resources**

## Nonprofit Board Resources

There is a wealth of information and advice online about nonprofit board service. We have listed a few below that we think might be helpful. If you know of others, please share them with us! ([CommunityPartners@hbscny.org](mailto:CommunityPartners@hbscny.org))

| Name   | Website   | Description   | Services  |
|--|---|---|---|
| Harvard Business School – Social Enterprise Initiative     | <a href="https://www.hbs.edu/socialenterprise/impact/Pages/nonprofit-strategy-and-governance.aspx">https://www.hbs.edu/socialenterprise/impact/Pages/nonprofit-strategy-and-governance.aspx</a>   | Articles, faculty research  |   |
| Board Source   | <a href="https://boardsource.org/audience/board-member/">https://boardsource.org/audience/board-member/</a>   | Comprehensive source of information & advice for NFP Board members; much of the content is free | Membership program includes an online support group, ‘ask-an-expert’ via email, and other resources |
| Candid   | Candid.org  | Website created from the combination of Foundation Center and GuideStar                         | Public information on non-profits, articles, and funding information.                               |
| Charity Navigator  | <a href="https://www.charitynavigator.org/">https://www.charitynavigator.org/</a>   | Nation’s largest evaluator of charities   | Ratings and comparisons of non-profit peers   |
| NYS Attorney General – Charities Bureau                    | <a href="https://www.charitiesnys.com/helpful_websites_new.html">https://www.charitiesnys.com/helpful_websites_new.html</a>   | Comprehensive listing of resources  |   |
| National Council of Nonprofits                             | <a href="https://www.councilofnonprofits.org/">https://www.councilofnonprofits.org/</a><br><a href="https://www.councilofnonprofits.org/tools-resources/board-roles-and-responsibilities">https://www.councilofnonprofits.org/tools-resources/board-roles-and-responsibilities</a>            | Tools and resources; links to state level organizations   |   |
| NY Council of Nonprofits; Charity Strong (NYCON Affiliate) | <a href="https://www.nycon.org/resources">https://www.nycon.org/resources</a><br><a href="https://www.nycon.org/resources/job-board">https://www.nycon.org/resources/job-board</a><br><a href="https://www.charitystrong.org/page/JoinBoard">https://www.charitystrong.org/page/JoinBoard</a> | Information, and services for NY nonprofits   | Board matching service through Charity Strong; membership required.                                 |
| Nonprofit NY (NYCON Affiliate)                             | <a href="https://www.nonprofitnewyork.org/">https://www.nonprofitnewyork.org/</a>   | Blog covers key issues of interest to nonprofits  |   |
| Charity Lawyer   | <a href="https://charitylawyerblog.com/">https://charitylawyerblog.com/</a>   | Helpful articles, available free online   |   |

